

6. RECORDING. If a mortgage is recorded in more than one county and a certificate of release or partial release is recorded in one of them, a certified copy of the certificate of release may be recorded in another county with the same effect as the original. In all cases, the certificate of release or partial release shall be entered and indexed in the manner that a satisfaction of mortgage is entered and indexed.

7. PRIOR MORTGAGES. If the real estate lender or closer has notified the division that a mortgage has been paid in full by someone other than the real estate lender or closer, or was paid by the real estate lender or closer under a previous transaction, and an effective release has not been filed of record, the division may execute and record a certificate of release without certification by the real estate lender or closer that payment was made pursuant to a payoff statement and the date payment was received by the mortgagee. A certificate of release filed pursuant to this subsection is subject to the requirements of subsection 2, paragraph "c".

8. APPLICATION. This section applies only to a mortgage in an original principal amount of five hundred thousand dollars or less.

Sec. 2. NEW SECTION. 655.3 PENALTY FOR FAILURE TO DISCHARGE.

If a mortgagee, or a mortgagee's personal representative or assignee, upon full performance of the conditions of the mortgage, fails to discharge such mortgage within thirty days after a request for discharge, the mortgagee is liable to the mortgagor and the mortgagor's heirs or assigns, for all actual damages caused by such failure, including reasonable attorney fees. A claim for such damages may be asserted in an action for discharge of the mortgage. If the defendant is not a resident of this state, such action may be maintained upon the expiration of thirty days after the conditions of the mortgage have been performed, without such previous request or tender.

Sec. 3. Section 655.2, Code 1999, is repealed.

Approved April 23, 1999

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## CHAPTER 55

### FOSTER CARE-RELATED DAMAGES — STATE LIABILITY

*H.F. 311*

**AN ACT** relating to reimbursement, payment, and coverage by the state for damages involving individuals providing foster home, guardian, or conservator services and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 237.13, subsection 3, Code 1999, is amended to read as follows:

3. Except as provided in this section, the fund shall pay, on behalf of each licensed foster home, any valid and approved claim of foster children, their parents, guardians, or guardians ad litem, for damages arising from the foster care relationship and the provision of foster care services. The fund shall also ~~reimburse~~ compensate licensed foster homes for property damage, at replacement cost, or for bodily injury, as a result of the activities of the foster child, and reasonable and necessary legal fees incurred in defense of civil claims filed pursuant to subsection 7, paragraph "d", and any judgments awarded as a result of such claims.

Sec. 2. Section 237.13, subsection 4, paragraph g, Code 1999, is amended by striking the paragraph.

Sec. 3. Section 237.13, subsection 4, paragraph h, Code 1999, is amended by striking the paragraph.

Sec. 4. Section 237.13, subsection 6, Code 1999, is amended to read as follows:

6. The fund is not liable for the first ~~seventy-five~~ one hundred dollars of any claim based on a single occurrence for all claims arising out of one or more occurrences during a fiscal year related to a single foster home. The fund is not liable for damages in excess of three hundred thousand dollars for a single foster home for all claims arising out of one or more occurrences during a ~~calendar~~ fiscal year related to a single home.

Sec. 5. TRANSITION TO FISCAL YEAR. The limit on foster home liability established in section 237.13, subsection 6, in effect for the calendar year beginning January 1, 1999, shall apply through June 30, 1999. This section of this Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 23, 1999

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## CHAPTER 56

### ESTATES AND TRUSTS — MISCELLANEOUS ISSUES

*H.F. 662*

AN ACT relating to estate issues by modifying the warranty by a trustee, jurisdiction of the probate court, fees payable on certain trusts, notice provisions relating to claims against estates, and disclaimers made by beneficiaries.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 614.14, subsection 4, paragraph b, Code 1999, is amended to read as follows:

b. That, to the knowledge of the trustee, the person creating the trust was under no disability or infirmity at the time the trust was created.

Sec. 2. Section 633.10, subsection 4, Code 1999, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. A trust that is administered solely or jointly by an individual trustee or trustees is not subject to the jurisdiction of the court unless jurisdiction is invoked by a trustee or beneficiary, or if otherwise provided by the governing instrument. Upon application of all trustees administering a trust which is subject to the court's jurisdiction, and following notice to beneficiaries as provided in section 633.40, subsection 4, the court shall release the trust from further jurisdiction unless one or more beneficiaries object, on the condition that jurisdiction may thereafter be invoked by a trustee or beneficiary. The provisions of this paragraph shall be effective for applications filed on or after July 1, 1997.

Sec. 3. Section 633.31, Code 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 3. The fee set forth in subsection 2, paragraph "k", shall not be charged on any property transferred to a testamentary trust from an estate that has been administered in this state and for which court costs have been assessed and paid.